

ELLIS:LAWHORNE

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February 27, 2008

FILED ELECTRONICALLY

The Honorable Charles L.A. Terreni
Chief Clerk
South Carolina Public Service Commission
Post Office Drawer 11649
Columbia, South Carolina 29211

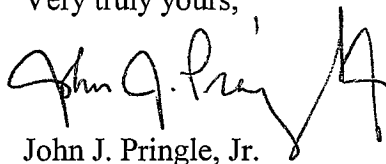
RE: Application of Broadview Networks, Inc. for a Certificate of Public Convenience and Necessity to Provide Resold and Facilities-Based Interexchange Telecommunications Services in the State of South Carolina and for Alternative Regulation First Approved in Docket No. 95-661-C
Docket No. 2007-413-C, ELS File No. 582-11445

Dear Mr. Terreni:

Enclosed is the original and one (1) copy of the **Settlement Agreement** between Broadview Networks, Inc. and ORS filed in the above-referenced docket.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,



John J. Pringle, Jr.

JJP/cr

cc: Nannette S. Edwards, Esquire/C. Lessie Hammonds, Esquire (via electronic and first-class mail service)
F. David Butler, Esquire
Mr. Charles C. Hunter (via 1st class mail service)
Catherine M. Hannan, Esquire (via electronic and 1st class mail service)

Enclosures

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2007-413-C

In Re:)	
Application of Broadview Networks, Inc.)	
for a Certificate of Public Convenience)	
And Necessity to Provide Resold and)	SETTLEMENT AGREEMENT
Facilities Based Interexchange)	
Telecommunications Services in the)	
State of South Carolina.)	
<hr/>)	

This Settlement Agreement ("Settlement Agreement") is made by and among the Office of Regulatory Staff ("ORS") and Broadview Networks, Inc. ("Broadview" or "the Company") (collectively referred to as the "Parties" or sometimes individually as "Party");

WHEREAS, on November 15, 2007, Broadview Networks, Inc. filed its Application requesting (i) a Certificate of Public Convenience and Necessity be granted authorizing the Company to provide resold and facilities-based interexchange telecommunications services throughout the State of South Carolina; (ii) alternative regulation of its interexchange business services consistent with Orders 95-1734 and 96-55 in Docket No. 95-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C; (iii) waiver of certain regulations of the Public Service Commission of South Carolina ("Commission"), specifically Regulation 103-610 regarding location of records; and (iv) a waiver of Regulation 103-612.2.3 regarding operating area maps;

WHEREAS on November 30, 2007, the Commission issued a Notice of Filing and Hearing and established a return date of December 31, 2007, for the filing of letters of protest or

petitions to intervene and established a hearing date of March 3, 2008 for the application to be heard before a hearing examiner;

WHEREAS, on January 3, 2008, counsel for ORS entered a Revised Notice of Appearance in this matter;

WHEREAS, on December 13, 2007, the Commission issued its Order No. 2007-843 by which the Commission appointed David Butler, Esquire as the Hearing Examiner in this matter;

WHEREAS, on January 22, 2008, the Company pre-filed the direct testimony of Charles C. Hunter with the Commission;

WHEREAS, on February 14, 2008, the Company filed revised tariffs and an amendment to include a request of waivers of Regulation 103-631 and any Commission rule that requires that books and records be kept according to the Uniform System of Accounts ("USOA").

WHEREAS, the purpose of this proceeding is to review the application filed by Broadview Networks, Inc. and its requests (i) for a Certificate of Public Convenience and Necessity to provide facilities-based and resold interexchange telecommunications services within the State of South Carolina; (ii) for alternative regulation of its interexchange business services, consumer card services, operator services, and private line services consistent with Orders 95-1734 and 96-55 in Docket No. 95-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C; (iii) for waiver of certain of the Commission Regulations, specifically Regulations 103-610 regarding location of records, (iv) 103-612.2.3 concerning operating area maps, (v) 103-631 regarding directories, and (vi) any regulation or rule that requires that books and records be kept according to the Uniform System of Accounts ("USOA");

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of the Company to provide the services requested in the Application;

WHEREAS, ORS has reviewed the Application and the financial data provided by Broadview Networks, Inc., and ORS has calculated certain performance ratios based upon information provided by the Company;

WHEREAS, ORS has investigated the services to be offered by Broadview Networks, Inc. and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by the Company;

WHEREAS, ORS has reviewed the prefiled testimony of Charles C. Hunter;

WHEREAS, as a result of its investigations, ORS has determined (a) Broadview Networks, Inc. intends to offer resold and facilities-based long-distance telecommunications services such as switched outbound ("1 +" dialing), toll-free service, directory assistance services, and operator services; (b) the officers of the Company possess sufficient technical and managerial abilities to adequately provide the services applied for; (c) based upon the information provided and the analysis performed, Broadview Networks, Inc. appears to have access to sufficient financial resources necessary to provide the services proposed in its application; (d) the Company's revised tariffs as filed on February 14, 2008 comply with Commission statutes and regulations; (e) the Company agrees that the services to be provided by Broadview Networks, Inc. will meet the service standards required by the Commission; (f) the provision of services by Broadview Networks, Inc. will not adversely impact the availability of affordable telecommunications services; (g) to the extent it is required to do so by the Commission, the Company will participate in the support of universally available telephone

service at affordable rates; and (h) the provision of interexchange services by Broadview Networks, Inc. will not adversely impact the public interest;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1) The Parties agree that Broadview's Application, exhibits to the Application and amended Application are incorporated into this Settlement Agreement and made a part hereof;

2) The Parties agree to stipulate into the record before the Commission this Settlement Agreement. The Parties also agree to stipulate to the pre-filed testimony of the Company's witness Charles C. Hunter without cross-examination by ORS;

3) Broadview Networks, Inc. has submitted financial data, which was provided as Exhibit D to the Company's Application and which financial data is incorporated by reference;

4) The Parties agree that Broadview Networks, Inc. should be granted a Certificate of Public Convenience and Necessity to provide facilities-based and resold interexchange telecommunications services within the state of South Carolina;

5) The Company has requested a waiver of 26 S.C. Code Ann. Regs. 103-610 concerning the location of books and records. However, S.C. Code Ann. §58-9-380 (Supp. 2006) provides that:

Each telephone utility shall have an office in one of the counties of this State in which its property or some part thereof is located and shall keep in such office all such books, accounts, papers and records as shall reasonably be required by the Office of Regulatory Staff. No books, accounts, papers or records required by the ORS to be kept within the State shall be removed at any time from the State except upon such conditions as may be prescribed by the Office of Regulatory Staff.

ORS is agreeable to allowing Broadview Networks, Inc. to maintain its books and records outside of the State of South Carolina in exchange for Broadview Networks, Inc. agreeing to provide access to ORS to its books and records. ORS is agreeable to the Company maintaining its books and records at its principal offices in the State of New York, and Broadview Networks, Inc. agrees to notify the ORS of any change in the location of the principal office or in the location where the books and records are maintained. This provision of the Settlement Agreement shall not be construed as a waiver by ORS of S.C. Code Ann. § 58-4-55 (Supp. 2006) or § 58-9-1070 (Supp. 2006). ORS expressly reserves its rights to require the production of books, records and other information located within or outside of the State of South Carolina in order to carry out its duties and compliance with any state or federal regulation;

6) ORS does not oppose the Company's request for waiver of 26 S.C. Code Ann. Regs. 103-612.2.3 which requires the filing of operating area maps;

7) ORS does not oppose the Company's request for waiver of 26 S.C. Code Ann. Regs. 103-631 which requires the publishing of directories;

8) ORS does not oppose the Company's request for waiver of any requirement to keep its books and records according to the Uniform System of Accounts ("USOA");

9) The Company acknowledges that S.C. Code Ann. § 58-9-340 (Supp. 2006) provides that the ORS may, in its discretion and subject to the approval of the Commission, prescribe systems of accounts to be kept by telephone utilities subject to the commission's jurisdiction and that the ORS may prescribe the manner in which the accounts shall be kept and may require every telephone utility to keep its books, papers, and records accurately and faithfully according to the system of accounts as prescribed by the ORS. The Company agrees to keep its books, papers, and records in such a manner that permits ORS to audit its revenues and expenses for

compliance with programs such as but not limited to the Universal Service Fund (“USF”) and the Interim LEC Fund, dual party relay service fund, and gross receipts. Broadview Networks, Inc. agrees to complete the reporting forms for such programs as, but not limited to, USF, dual party relay service fund, Interim LEC, and gross receipts as may be required by the ORS of telecommunications companies certificated to operate within South Carolina and as the reporting forms may be amended from time to time;

10) ORS does not oppose Broadview Networks, Inc.’s requests for alternative regulation of its interexchange business services, consumer card services, operator services, and private line service offerings consistent with the procedures described and set forth in Orders 95-1734 and 96-55 in Docket No. 95-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C, specifically (i) regulation of these services listed above in the same manner as these services are regulated of AT&T Communications of the Southern States, Inc., (ii) removal of the maximum rate tariff requirements for Broadview Networks, Inc.’s business services, private line, and customer network-type offerings, except in instances governed by Order No. 2001-997 which reinstituted maximum rates for surcharges and rates associated with certain intrastate operator-assisted calls; (iii) presumptively valid tariff filings for these interexchange services unless an investigation of a particular filing is instituted within seven (7) days, in which case the tariff filing will be suspended until resolution of the investigation or until further order of the Commission; and (iv) grant Broadview Networks, Inc. the same treatment as AT&T Communications of the Southern States, Inc. in connection with any future relaxation of reporting requirements;

11) The Company agrees to resell the services only of those interexchange carriers authorized to do business in South Carolina by the Commission;

12) Broadview Networks, Inc. agrees that it will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;

13) Broadview Networks, Inc. agrees to file necessary financial, and other, information with the Commission and ORS for universal service fund reporting, dual party relay service fund reporting, interim LEC fund reporting, annual reporting, gross receipts reporting, and/or any other reporting which may now or in the future be applicable to telecommunications providers such as Broadview Networks, Inc.. The Parties agree that such reports shall be filed pursuant to ORS' instructions and monies shall be remitted in accordance with the directions of the ORS and the Commission.

14) The Company agrees to maintain its books and records in a manner that would permit ORS to examine any of the Company's reports filed with the Commission and provided to ORS.

15) Broadview Networks, Inc. agrees to file with the Commission and ORS a completed authorized utility representative forms within thirty (30) days of the Commission's order.

16) In the event that Broadview Networks, Inc. offers prepaid calling card services in the future, the Company agrees that it shall post a surety bond in the amount of \$5,000 as required by the Commission;

17) In the event that Broadview Networks, Inc. offers long distance services to end users, Broadview Networks, Inc. agrees to comply with the verification regulations governing change of preferred carriers as established by Federal Communications Commission ("FCC"). In addition, in the event that Broadview Networks, Inc. offers long distance services to end users,

the Company agrees to comply with the marketing practices and guidelines established by the Commission in Order No. 95-658;

18) Broadview Networks, Inc. agrees to comply with S.C. Code Ann. § 58-9-300 entitled “Abandonment of Service.” Additionally, to the extent applicable, the Company agrees to adhere to the FCC’s rule 47 C.F.R. § 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, the Company shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;

19) The Company agrees to comply with all rules and regulations of the Commission unless the Commission has expressly waived such rule or regulation;

20) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... ‘public interest’ means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State’s public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

21) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

22) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation.

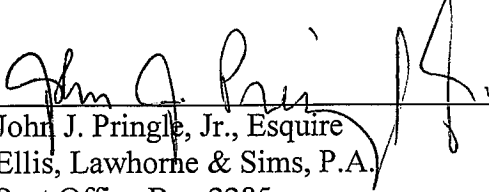
23) This Settlement Agreement shall be interpreted according to South Carolina law.

24) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties

agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

WE AGREE:

Representing Broadview Networks, Inc.



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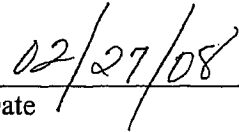
Date

WE AGREE:

Representing the Office of Regulatory Staff



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Date